

Financial Questions for Applicants Seeking Local Exchange Service Authority

1. (Answer if requesting waiver of Part 710) What circumstances warrant a departure from the prescribed Uniform System of Accounts ("USOA")?

SCC does not provide long distance toll services or local exchange dial tone services, does not intend to provide such services, and does not seek authority to provide such services. Thus, many aspects of the USOA do not apply to SCC's business. SCC maintains its records in accordance with Generally Accepted Accounting Principles.

2. Will records be maintained in accordance with Generally Accepted Accounting Principles ("GAAP")?

Yes.

3. Will applicants accounting system provide an equivalent portrayal of operating results and financial condition as the USOA?

Yes.

4. Will applicants accounting procedures maintain or improve uniformity in substantive results as among similar telecommunications companies?

Yes.

5. Will applicant maintain its records in sufficient detail to facilitate the calculation of all applicable taxes?

Yes.

6. Does the accounting system currently in use by applicant provide sufficiently detailed data for the preparation of Illinois Gross Receipts Tax returns? What specific accounts or sub-accounts provide this data?

Yes. Revenue is tracked by customer using project numbers. This tracking method provides sufficiently detailed data for the preparation of Illinois Gross Receipts Tax returns.

7. If a waiver of Part 710 is granted, will applicant provide annual audited statements or all periods subsequent to granting of the waiver?

Yes.

8. Does applicant agree that the requested waiver of Part 710 will not excuse it from compliance with future Commission rules or amendments to Part 710 otherwise applicable to the Company?

Yes. SCC will request separate waivers of future Commission rules or amendments as appropriate.

9. Please see an attached copy of applicant's chart of accounts.

A list of SCC's chart of accounts is attached hereto.

Account Number	Description	Type	Acct Order	Ratio Grp	Consol Account	Status	Summary Posting	Unit of Measure
0000	GL SUSPENSE	A	1		000000	A	N	
10000	OPERATING ACCOUNT	A	1	N	10000	A	N	
10050	MONEY MARKET ACCOUNT	A	1	N	10050	A	N	
10100	PAYROLL ACCOUNT	A	1	N	10100	A	N	
10110	BENEFIT ACCOUNT	A	1	N	10110	A	N	
10150	PETTY CASH	A	1	N	10150	A	N	
10160	TEXAS PETTY CASH	A	1	N	10160	A	N	
10170	CAFE CASH ON HAND	A	1	N	10170	A	N	
10500	SHORT TERM INVESTMENTS	A	1	N	10500	A	N	
10501	ST INVESTMENTS-HELD TO	A	1	N	10501	A	N	
11000	ACCOUNTS RECEIVABLE	A	1	N	11000	A	N	
11050	ACCOUNTS RECEIVABLE,	A	1	N	11050	A	N	
11100	A/R & A/P SUSPENSE	A	1	N	11100	A	N	
11110	DUE FROM (TO) TFP	A	1	N	11110	A	N	
11500	ALLOWANCE FOR DOUBTFUL	A	1	N	11500	A	N	
12000	UNBILLED PROJECT	A	1	N	12000	A	N	
13000	INVENTORY,	A	1	N	13000	A	N	
13050	INVENTORY, SPARE PARTS	A	1	N	13050	A	N	
13500	JOB COST CLEARING	A	1	N	13500	A	N	
13550	RETAINAGE CONTROL	A	1	N	13550	A	N	
14000	EMPLOYEE ADVANCES	A	1	N	14000	A	N	
14050	DEPOSITS: SHORT-TERM	A	1	N	14050	A	N	
14100	PREPAID, MISCELLANEOUS	A	1	N	14100	A	N	
14150	PREPAID, INSURANCE	A	1	N	14150	A	N	
14200	PREPAID, COMMISSIONS	A	1	N	14200	A	N	
14250	INTEREST RECEIVABLE	A	1	N	14250	A	N	
14300	COMPANY STORE	A	1	N	14300	A	N	
14500	DEFERRED TAX	A	1	N	14500	A	N	
15000	COMPUTER HARDWARE/OFFICE	A	1	N	15000	A	N	
15200	CONSTRUCTION IN PROGRESS	A	1	N	15200	A	N	
15500	FURNITURE AND FIXTURES	A	1	N	15500	A	N	
15550	LEASEHOLD IMPROVEMENTS	A	1	N	15550	A	N	
16000	ACCUM DEPR, COMP HDW/OFF	A	1	N	16000	A	N	
16100	ACCUM DEPR, ENG/DEV	A	1	N	16100	A	N	
16150	ACCUM DEPR, SERVICE TEST	A	1	N	16150	A	N	
16500	ACCUM DEPR, FURN &	A	1	N	16500	A	N	
16550	ACCUM DEPR, LEASEHOLD	A	1	N	16550	A	N	
16900	RESERVE FOR FIXED ASSETS	A	1	N	16900	A	N	
17000	CAPITALIZED SOFTWARE	A	1	N	17000	A	N	
17500	ACCUM AMORT, CAPITAL	A	1	N	17500	A	N	
18050	DEPOSITS: LONG-TERM	A	1	N	18050	A	N	
18100	DEFERRED OFFERING COSTS	A	1	N	18100	A	N	
18150	NOTES RECEIVABLE - LONG	A	1	N	18150	A	N	
18200	PREPAID INSURANCE-LONG	A	1	N	18200	A	N	
18250	INVESTMENTS HELD FOR	A	1	N	18250	A	N	
18300	DEFERRED TAX ASSET-LT	A	1	N	18300	A	N	
20000	ACCOUNTS PAYABLE	L	2	N	20000	A	Y	
21000	ACCRUED ACCOUNTS PAYABLE	L	2	N	21000	A	N	
21050	ACCRUED AUDIT/TAX	L	2	N	21050	A	N	
21070	DEFERRED RENT	L	2	N	21070	A	N	
21080	PREPAID LUNCH PUNCHCARDS	L	2	N	21080	A	N	
21150	COMMISSIONS PAYABLE	L	2	N	21150	A	N	
21170	EXEC BONUS PAYABLE	L	2	N	21170	A	N	
21200	VACATION ACCURAL	L	2	N	21200	A	N	
21300	RSV FOR ANTICIPATED PRJ	L	2	N	21300	A	N	
21310	RSV FOR ADD DISC OPS EXP	L	2	N	21310	A	N	
21350	FED WITHHOLDING TAX	L	2	N	21350	A	N	
21400	FICA PAYABLE	L	2	N	21400	A	N	
21450	FED UNEMPLOYMENT TAX	L	2	N	21450	A	N	
21500	STATE WITHHOLDING TAX	L	2	N	21500	A	N	
21550	STATE UNEMPLOYMENT TAX	L	2	N	21550	A	N	
21600	PAYROLL DEDUCTIONS	L	2	N	21600	A	N	
21610	PAYROLL DEDUCTIONS	L	2	N	21610	A	N	
21620	PAYROLL DEDUCTIONS (STK	L	2	N	21620	A	N	
21650	SALES TAX PAYABLE	L	2	N	21650	A	N	
21660	PROPERTY & OTHER TAXES	L	2	N	21660	A	N	
21700	INCOME TAX PAYABLE	L	2	N	21700	A	N	
22000	NOTES PAYABLE, CURRENT	L	2	N	22000	A	N	
22100	NOTES PAYABLE - CURRENT	L	2	N	22100	A	N	
23000	CAPITAL LEASE OBLIG,	L	2	N	23000	A	N	
24000	DEFERRED INCOME	L	2	N	24000	A	N	
24010	DEFERRED REVENUE (PROJ	L	2	N	24010	A	N	
25000	NOTES PAYABLE, LONG TERM	L	2	N	25000	A	N	
25100	DISCOUNT NOTES PAY, LONG	L	2	N	25100	A	N	
26000	CAPITAL LEASE OBLIG,	L	2	N	26000	A	N	
30000	SERIES A CONV PREFERRED	L	2	N	30000	A	N	
30050	SERIES B CONV PREFERRED	L	2	N	30050	A	N	

Account Number	Description	Type	Acct Order	Ratio Grp	Consol Account	Status	Summary Posting	Unit of Measure
000	SERIES C CONV PREFERRED	L	2	N	30100	A	N	
050	SERIES D CONV PREFERRED	L	2	N	30150	A	N	
0200	SERIES E CONV PREFERRED	L	2	N	30200	A	N	
0250	SERIES F CONV PREFERRED	L	2	N	30250	A	N	
0400	COMMON STOCK: PAR VALUE	L	2	N	30400	A	N	
0500	ADDITIONAL PAID-IN	L	2	N	30500	A	N	
0600	COMMON STOCK WARRANTS	L	2	N	30600	A	N	
0850	CURRENT YEAR	L	2	N	30850	A	N	
0900	ACCUMULATED DEFICIT	L	2	N	30900	A	N	
0950	TREASURY STOCK	L	2	N	30950	A	N	
1000	STOCK SUBSCRIPTIONS	L	2	N	31000	A	N	
0000	DATA MANAGEMENT REVENUE	I	3	N	40000	A	N	
5000	LICENSES SERVICES	I	3	N	45000	A	N	
0000	DATA MANAGEMENT COS	E	3	N	50000	A	N	
1010	CAPITALIZED SW	E	3	N	51010	A	N	
2000	COS SALES TAX	E	3	N	52000	A	N	
2100	COS DEPRECIATION	E	3	N	52100	A	N	
5000	LICENSES SERVICES COS	E	3	N	55000	A	N	
9000	G&A ALLOCATIONS	E	3	N	59000	A	N	
9500	S&M ALLOCATIONS	E	3	N	59500	A	N	
9900	R&D PROJECT ALLOCATIONS	E	3	N	59900	A	N	
9999	ALLOCATIONS	E	3	N	59999	A	N	
0000	SALARIES	E	3	N	60000	A	N	
0001	PROJ SALARIES	E	3	N	60001	A	N	
0100	FRINGE BENEFITS	E	3	N	60100	A	N	
0150	VACATION ACCRUAL/TAKEN	E	3	N	60150	A	N	
0200	COMMISSIONS & BONUSES	E	3	N	60200	A	N	
0300	CONSULTANT/CONTRACT	E	3	N	60300	A	N	
1000	EMPLOYEE TRAINING	E	3	N	61000	A	N	
1100	EMPLOYEE RECRUITING	E	3	N	61100	A	N	
1200	RELOCATION EXPENSE	E	3	N	61200	A	N	
2000	TRAVEL - AIRLINES	E	3	N	62000	A	N	
2100	MEALS &	E	3	N	62100	A	N	
2200	TRAVEL - ALL OTHER	E	3	N	62200	A	N	
2300	MEALS &	E	3	N	62300	A	N	
3000	ADVERTISING & PROMOTION	E	3	N	63000	A	N	
3200	TRADE SHOWS - NATL APCO	E	3	N	63100	A	N	
3200	TRADE SHOWS - NATL NENA	E	3	N	63200	A	N	
3300	DIRECT COSTS	E	3	N	63300	A	N	
3400	TRADE SHOWS - OTHER	E	3	N	63400	A	N	
3500	CUSTOMER SEMINARS	E	3	N	63500	A	N	
3600	USER GROUP/NEWSLETTER	E	3	N	63600	A	N	
3700	SALES COLLATERAL	E	3	N	63700	A	N	
3800	PUBLIC RELATIONS	E	3	N	63800	A	N	
3900	DIRECT MARKETING	E	3	N	63900	A	N	
4000	EQUIPMENT LEASE/RENTAL	E	3	N	64000	A	N	
4100	SMALL TOOLS & EQUIPMENT	E	3	N	64100	A	N	
4200	SOFTWARE PURCHASES	E	3	N	64200	A	N	
4300	DEPRECIATION EXPENSE	E	3	N	64300	A	N	
4400	PROVISION FOR FIXED	E	3	N	64400	A	N	
4500	MIS SPENDING	E	3	N	64500	A	N	
5000	COMPUTER/OFFICE SUPPLIES	E	3	N	65000	A	N	
5100	MAINTENANCE & REPAIRS	E	3	N	65100	A	N	
6000	PRINTING & DUPLICATION	E	3	N	66000	A	N	
6100	DUES, FEES, LICENSES &	E	3	N	66100	A	N	
6200	FREIGHT & POSTAGE	E	3	N	66200	A	N	
7000	RENT	E	3	N	67000	A	N	
7100	RENT-MISC	E	3	N	67100	A	N	
7200	TELEPHONE/PAGING	E	3	N	67200	A	N	
7300	UTILITIES	E	3	N	67300	A	N	
8000	TAXES & INSURANCE	E	3	N	68000	A	N	
8100	LEGAL & ACCOUNTING FEES	E	3	N	68100	A	N	
8150	BAD DEBT EXPENSE	E	3	N	68150	A	N	
8200	CHARITABLE CONTRIBUTIONS	E	3	N	68200	A	N	
9000	MISCELLANEOUS EXPENSE	E	3	N	69000	A	N	
9010	FACILITIES ALLOCATION	E	3	N	69010	A	N	
9020	ALLOCATION FOR R&D	E	3	N	69020	A	N	
0000	INTEREST INCOME	I	3	N	70000	A	N	
0100	MISCELLANEOUS INCOME	I	3	N	70100	A	N	
9999	INTEREST EXP/INC ALLOC	E	3	N	79999	A	N	
0000	INTEREST EXPENSE	E	3	N	80000	A	N	
0100	GAIN (LOSS) ON ASSET	E	3	N	80100	A	N	
0200	FOREIGN EXCHANGE	E	3	N	80200	A	N	
9000	GAIN (LOSS) ON SALE BUS.	E	3	N	89000	A	N	
9500	LOSS ON EXTINGUISH. OF	E	3	N	89500	A	N	
0000	INCOME TAX EXPENSE	E	3	N	90000	A	N	
0100	CANADIAN WITHHOLDING TAX	E	3	N	90100	A	N	
9999	PAYROLL SUSPENSE	E	3	N	99999	A	N	